



Regent Pacific Group Limited



(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 0575

18 September 2007

ANNOUNCEMENT



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PLACING OF NEW SHARES AND RESUMPTION OF TRADING PLACING AGENT

Morgan Stanley



On 18 September 2007, the Company entered into the Placing Agreement with the Placing Agent, Morgan Stanley, pursuant to which the Placing Agent agreed to place 293,339,464 Placing Shares to not less than 6 placees at the Placing Price of HK\$1.20 per Placing Share on a fully underwritten basis. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the placees and their ultimate beneficial owners are third parties independent of the Company and are not connected persons of the Company.

The net proceeds from the Placing amounting to approximately HK\$333.23 million are intended to be used to help CCEC meet its capital commitments for the Projects after Completion. If the Transaction does not complete, the net proceeds will be used to fund future acquisitions and for general working capital requirements of the Group.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 18 September 2007, pending the release of this announcement. Application has been made for the resumption of trading of the Shares on the Stock Exchange at 9:30 a.m. on 19 September 2007.



PLACING AGREEMENT

Before trading hours on 18 September 2007, the Company entered into the Placing Agreement with the Placing Agent, Morgan Stanley, pursuant to which the Placing Agent agreed to place 293,339,464 Placing Shares to not less than 6 placees at the Placing Price of HK\$1.20 per Placing Share on a fully underwritten basis.

To the best of the knowledge and belief of the Directors, and after making all reasonable enquiry, the Placing Agent is a third party independent of the Company and is not a connected person of it.

The Placing Shares

Pursuant to the Placing Agreement, the Placing Agent agreed to place the Placing Shares to independent placees at the price of HK\$1.20 per Placing Share. The number of placees is not less than six. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the placees and their respective ultimate beneficial owners are third parties independent of the Company and are not connected persons of it.

The Placing Shares represent approximately 17.77% of the Company's issued share capital as at the date of this announcement, and approximately 15.09% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

The Placing Price

The Placing Price is HK\$1.20 per Placing Share (exclusive of brokerage) and represents:

- (i) a discount of approximately 2.44% to the closing price of HK\$1.23 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 5.08% to the average closing price of approximately HK\$1.142 per Share as quoted on the Stock Exchange from 28 August 2007 to the Last Trading Day, being the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 11.11% to the average closing price of approximately HK\$1.08 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day.



The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares. The Net Placing Price, being the Placing Price less the related expenses (including the commission paid to the Placing Agent), is HK\$1.136 per Placing Share. The Directors (including independent non-executive Directors) consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares, when fully paid, allotted and issued, will be free from all claims, charges, liens, encumbrances and equities whatsoever and will rank *pari passu* with any existing Shares in issue save for any right or entitlement to dividends or other rights or distributions, the record date for which precedes the date on which such Placing Shares are allotted and issued. There is no restriction on subsequent sale of the Placing Shares upon completion of the Placing.

General Mandate

The Placing Shares will be issued under the general mandate (the "**General Mandate**") to allot, issue and deal with Shares granted to the Directors by the resolution of the Shareholders passed at the 2006 AGM subject to the limit up to 20% of the then issued share capital of the Company as at the date of the 2006 AGM (i.e. 1,466,697,324 Shares). As at the date of this announcement, none of the Shares has been issued and there are 293,339,464 Shares available to be allotted and issued under the General Mandate. Assuming the Placing Shares are fully placed by the Placing Agent, there will be no Shares available for allotment and issue under the General Mandate upon completion of the Placing.

Conditions of the Placing

Completion of the Placing is conditional upon the fulfilment of, among others, the following:

- (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, all the Placing Shares;
- (b) receipt by the Placing Agent of:
 - (i) execution of a lock-up undertaking from James Mellon in respect of the Shares that he holds (whether directly or indirectly) as at the date of the execution of the Placing Agreement, restricting any disposal of such Shares for a period of 3 months from the date thereof at a price per Share below HK\$1.50 ("**JM's Undertaking**");



- (ii) legal opinion from the Company's Cayman Islands counsel; and
 - (iii) certified copies of the board minutes of the Company approving the Placing and the entry by the Company into the Placing Agreement,
each in a form satisfactory to the Placing Agent.; and
- (c) there not having been:
- (i) any adverse change or any development reasonably likely to involve an adverse change in the condition (financial or otherwise) of the Company which is material in the context of the Placing; and
 - (ii) the occurrence of any event or the existence of any circumstance which would render any of the warranties contained in the Placing Agreement untrue or inaccurate in any material respect.

Completion of the Placing

Completion of the Placing shall take place on or before 28 September 2007 or such other time and/or date as the Company and the Placing Agent may agree in writing.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Lock-up

Pursuant to the Placing Agreement, the Company has agreed that it will not, before the expiry of 180 days from the date of the execution of the Placing Agreement, allot or issue or offer to allot or issue (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares (except for the Placing Shares, the new shares issued pursuant to the Transaction and the Company's employee share option or incentive schemes), or agree (conditionally or unconditionally) or announce any intention to enter into or effect any such transaction described above, without first having obtained the written consent of the Placing Agent.

James Mellon, a Director, the Chairman of the Company and a member of the Concert Party Group, currently directly or indirectly owns 414,037,311 Shares as at the date of the execution of the Placing Agreement. Pursuant to JM's Undertaking to be executed by James Mellon, there will be a lock-up arrangement restricting any disposal of such Shares for a period of 3 months from the date of the execution of the Placing Agreement at a price per Share below HK\$1.50.

**SHAREHOLDING STRUCTURE**

Set out below is the shareholding structure of the Company (i) as at the date of the execution of the Placing Agreement; and (ii) immediately after the allotment and issue of the Placing Shares.

	As at the date of the execution of the Placing Agreement		Immediately after the allotment and issue of the Placing Shares	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Concert Party Group	473,489,090	28.688%	473,489,090	24.359%
Other Directors	8,663,582	0.525%	8,663,582	0.446%
<i>Public</i>				
Placees of the Placing	--	0.000%	293,339,464	15.091%
Other public Shareholders	1,168,335,823	70.787%	1,168,335,823	60.105%
Sub-total for public shareholders	1,168,335,823	70.787%	1,461,675,287	75.196%
Total	1,650,488,495	100.000%	1,943,827,959	100.000%

REASONS FOR THE PLACING

The Directors (including the independent non-executive Directors) believe that the terms of the Placing, including the Placing Price, which has been negotiated on an arm's length basis in accordance with normal commercial terms, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors consider that the Placing represents an opportunity to raise additional capital for the Company while further broadening the shareholder base and the capital base of the Company.

The net proceeds from the Placing amounting to approximately HK\$333.23 million are intended to be used to help CCEC meet its capital commitments for the Projects after Completion. If the Transaction does not complete, the net proceeds will be used to fund future acquisitions and for general working capital requirements of the Group.



EQUITY FUND RAISING ACTIVITIES WITH 12 MONTHS IMMEDIATELY BEFORE THIS ANNOUNCEMENT

On 30 November 2006, the Company issued 6,250 Redeemable Convertible Preference Shares. There are currently 5,500 Redeemable Convertible Preference Shares outstanding, which confer on the holders rights to convert the Redeemable Convertible Preference Shares into a maximum of 147,931,035 Shares as at the date of this announcement. The gross proceeds of the issuance of the Redeemable Convertible Preference Shares were US\$6,250,000, which have been applied for the following purposes as at the date of this announcement: (i) approximately US\$1.40 million to cover the investment cost for a joint venture project conducted by Simao Regent Minerals Limited (a 90.5 per cent. subsidiary of the Company); (ii) approximately US\$1.01 million to cover the interest coupon on the outstanding CBs; and (iii) approximately US\$0.26 million to cover the dividend paid on the Redeemable Convertible Preference Shares. The US\$3.58 million unused proceeds will be used by the Group for the above purposes and for general working capital of the Group. Please refer to the 2006 Circular for details.

Save for the issuance of the Redeemable Convertible Preference Shares, the Company has not carried out any equity fund raising activities with 12 months immediately before the date of this announcement.

GENERAL

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the Stock Exchange and the Frankfurt Stock Exchange. The Company is an investment holding company focused on investment in mining assets, principally in the PRC.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares of the Company on the Stock Exchange was suspended from 9:30 a.m. on 18 September 2007 pending the issue of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9.30 a.m. on 19 September 2007.



DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“2006 AGM”	the annual general meeting of the Company held on 31 August 2006
“2006 Circular”	the circular dated 27 October 2006 of the Company in relation to, among others, details of the Redeemable Convertible Preference Shares
“Board”	the board of Directors
“CBs”	the US\$20 million 12% guaranteed convertible bonds of the Company due 2009, details of which have been set out in the announcement issued by the Company on 30 March 2006
“CCEC”	CCEC Ltd., a company incorporated in the British Virgin Islands
“Company”	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability and whose ordinary shares are listed on the Stock Exchange and the Frankfurt Stock Exchange
“Concert Party Group”	certain Directors comprising James Mellon, Jayne Sutcliffe and Anderson Whamond who are regarded as acting in concert for the purpose of the Takeovers Code and have registered the combined voting rights of the Company held by them (being 473,489,090 Shares in aggregate) with the SFC under the transitional provisions in Rule 26.6 of the Takeovers Code
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	has the meaning ascribed to it in the paragraph headed “General Mandate” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“JM’s Undertaking”	has the meaning ascribed to it in the paragraph headed “Conditions of the Placing” in this announcement
“Last Trading Day”	17 September 2007, being the last day of trading of the Shares on the Stock Exchange before the publication of this announcement



“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Morgan Stanley”	Morgan Stanley & Co., International plc
“Net Placing Price”	HK\$1.136 per Placing Share, being the Placing Price less the related expenses
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Morgan Stanley, a third party independent of the Company and its connected persons. In so far as the Placing Agent is “dealing in securities”, as defined in Schedule 5 of the SFO, it shall only do so through its agent, Morgan Stanley Asia Limited and only in circumstances such that none of the sub-provisos (I), (II), (III), (IV), and (V) in subparagraph (iv) to the definition of “dealing in securities” in Part 2 of Schedule 5 of the SFO are applicable
“Placing Agreement”	the placing agreement dated 18 September 2007 made between the Company and the Placing Agent in relation to the placing of the Placing Shares
“Placing Price”	HK\$1.20 per Placing Share
“Placing Shares”	an aggregate of 293,339,464 new Shares which the Placing Agent agreed to place on behalf of the Company to placees who are third parties independent of the Company and are not connected persons of the Company at the Placing Price
“Projects”	has the meaning as defined in the VSA Announcement
“Redeemable Convertible Preference Shares”	the 6,250 redeemable convertible preference shares of the Company, details of which have been set out in the announcement issued by the Company on 7 September 2006 and the 2006 Circular
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong
“Shareholders”	holders of the Shares
“Shares”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Transaction”	has the meaning as defined in the VSA Announcement



“VSA Announcement” the announcement dated 14 September 2007 of the Company in relation to, among others, acquisition of CCEC which constitutes a very substantial acquisition for the Company under the Listing Rules

“%” per cent.

By Order of the Board
REGENT PACIFIC GROUP LIMITED

Jamie Gibson
Executive Director

Directors of the Company:

James Mellon (*Chairman*)*

Jamie Gibson (*Chief Executive Officer*)

Clara Cheung

David Comba[#]

Julie Oates[#]

Patrick Reid[#]

Mark Searle[#]

John Stalker*

Jayne Sutcliffe*

Dr. Youzhi Wei*

Anderson Whamond*

* *Non-Executive Directors*

[#] *Independent Non-Executive Directors*

Hong Kong, 18 September 2007